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U.S. DEPARTMENT OF AGRICULTURE ■ AGRICULTURAL MARKETING SERVICE ■ PACKERS AND STOCKYARDS DIVISION ■ WASH., D.C. AMS 348

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QUESTIONS AND ANSWERS ON THE
PACKERS AND STOCKYARDS ACT FOR

LIVESTOCK PRODUCERS

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WHAT IT IS
PROVISIONS
ENFORCEMENT

CURRENT SERIAL RECORDS



WHAT IT IS ...

Q. What is the Packers and Stockyards Act?

A. It is a Federal statute enacted in 1921, amended last in 1958, and administered by the U. S. Department of Agriculture through the Packers and Stockyards Division of the Agricultural Marketing Service.

Q. What is its purpose?

A. It prescribes rules of fair competition and fair trade practice for all persons or firms engaged in livestock marketing and meat packing in interstate or foreign commerce.

Q. Who is regulated by the law?

A. The Act regulates all dealers, market agencies, meat packers, and owners and operators of stockyards and auction markets if they are engaged in livestock marketing or meat packing in interstate commerce.

Q. Under the Act, what is (1) a market agency, and (2) a dealer?

A. (1) A market agency is defined as any person engaged in the business (interstate) of (a) buying or selling livestock on a commission basis, or (b) furnishing stockyard services.

(2) A dealer is defined as any person, not a market agency, engaged in the business (interstate) of buying or selling livestock either on his own account or as the employee or agent of the vendor or purchaser. Dealers are often called traders or speculators, as they usually buy with the intention of reselling immediately. (Packer-buyers are considered as dealers buying for slaughter only.)

Q. How does the Act protect me if I am a livestock producer?

A. It prohibits all those who are regulated from engaging in or using any unfair, discriminatory, or deceptive practices that would deprive you of the true market value of your livestock.

Q. Is this true no matter where I sell my livestock--at my farm, at a country buying station, or at a "posted" market?

A. Yes, if the person or firm to whom or through whom you are selling is subject to the Act.

Q. What is a "posted" market?

A. It is a public market--auction or terminal--that has been found subject to the Act and at which notices to that effect have been posted. Country buying stations, which are private markets, are not posted but are subject to the Act in most cases.

Q. What are some of the requirements under the Act which provide marketing protection?



PROVISIONS . . . that protect Livestock Producers

- A. Requirements affording marketing protection include (1) accurate weights, (2) protection of farmers' funds, (3) full and accurate accounting, (4) reasonable and adequate facilities at fair and non-discriminatory rates, and (5) sale of livestock under open competitive conditions.



WEIGHING

- Q. How are accurate weights assured?
- A. Posted markets, buying stations, dealers, and market agencies subject to the Act are required by law to have accurate scales. These scales must be--
- tested to the capacity used, at least twice a year by a competent testing agency;
 - operated by a weighmaster with definite weighing instructions to insure accuracy;
 - balanced every 15 minutes or after every 15 drafts, whichever is first.
- Serially numbered scale tickets must be issued and a copy of each kept on file by the issuing person or firm.

PROTECTION OF FUNDS

- Q. How does the Act protect my funds when I market livestock?
- A. It requires dealers and market agencies who operate at posted markets or in the country--so long as they are engaged in interstate commerce--to register with the U. S. Department of Agriculture and furnish adequate bond coverage to assure payment for livestock purchases and sales.
- Q. How much bond is required?
- A. It is based on the volume of business the person or firm has transacted during the past 12 months. The minimum bond is \$5,000. Packer-buyers, though required to register, are not required to file bond, as their employers are responsible for their transactions.
- Q. Must I register and file bond when I buy livestock to restock?
- A. No, if you are not engaged in business as a dealer.



ACCOUNTING

Q. How do regulations on accounting protect me?

A. Regulations on accounting provide that:

- (1) Every registered market owner, market agency, and dealer (except packer-buyers, whose employers are responsible) must keep complete and accurate records that will disclose the full nature of all transactions;
- (2) Whether buying or selling, you should receive a true written account of your transaction, including an itemized listing of all charges. You should be furnished the name of the buyer (or seller), number of head sold, weight, price, and total.
- (3) When you consign livestock to a market agency, the agency is required to hold the proceeds of sale in trust to assure payment to you. In any transaction, prompt payment is required.



FACILITIES AND RATES

- Q. How are facilities regulated?
- A. Posted markets are required to provide adequate facilities, such as pens and unloading chutes, in clean condition.
- Q. Who sets the rates for yardage, feed, commissions, etc.?
- A. Market owners and agencies set their own rates, but these rates must be submitted to USDA for approval and kept on file there. USDA may set the rates if those proposed are deemed unreasonable.

OPEN COMPETITION

- Q. How do I know that there is competitive bidding for my livestock at posted markets?
- A. It is a requirement of the P&S Act. Selling agencies are required to act in your best interests. They may not buy out of your consignment for speculative purposes.

ENFORCEMENT

- Q. How is the P&S Act enforced?



- A. Representatives of USDA's P&S Division make regular trips to posted markets, meat packing plants, and buying stations to make sure that regulations are being observed. The Division maintains area offices, each of which is charged with administering the law in a specified area of the country. (See list on last page.)
- Q. Are records of market owners, agencies, and dealers checked?
- A. Yes, accountants with the Division audit these accounts to determine whether regulations are being observed, correct charges are being made, and the financial condition of the firm or individual is sound.
- Q. Are any checks made of weighing?
- A. Yes, representatives of the Division observe the operations of weighmasters to determine as nearly as possible if they are weighing correctly. The representative may reweigh the livestock as a further check.
- Q. What should I do if I am not satisfied with the weight recorded for my livestock?



A. Request immediately that the livestock be reweighed. If that is not possible, report the incident at once to the P&S supervisor.

Q. If I have a complaint against someone subject to the Act, what should I do?

A. If it can't be settled between the participants in the transaction, consult the P&S supervisor. Your complaint will be investigated without charge to you.

Q. What should I do if I have suffered loss or damage through unfair treatment?

A. You may file a petition or complaint for reparation against the dealer, market agency, or market operator responsible. This must be done in writing within 90 days after the transaction takes place.

PUBLICATIONS

Specific questions concerning the Act and its enforcement may be addressed to the Packers and Stockyards Division area offices or the Washington headquarters. Available from the same sources are the following publications:

The Packers and Stockyards Act--What It Is--How It Operates (PA-399)

The Packers and Stockyards Act as it applies to Auction Markets (AMS-284)

The Packers and Stockyards Act as it applies to Livestock Dealers (AMS-319)

Your Livestock Claims

Recordkeeping for Livestock Dealers Under the Packers and Stockyards Act

Packers and Stockyards Division
Area Offices and States Covered

Packers and Stockyards Division Area Offices and States Covered

Ariz., Calif., Nev.

Room 405, Wilson Bldg.
5905 Pacific Blvd.
Huntington Park, Calif.

Idaho, Ore., Wash.

207 Live Stock Exchange Bldg.
North Portland 5, Ore.

Colo., Mont., N.M., Utah, Wyo.

406 Livestock Exchange Bldg.
Stockyards Station
Denver 16, Colo.

Minn., N.D., S.D.

208 Post Office Bldg.
P. O. Box 297
South St. Paul, Minn.

Iowa, Neb.

Live Stock Exchange Bldg.
Omaha 7, Neb.

Suboffice for Iowa, Neb.

224 Livestock Exchange Bldg.
800 South Chambers Street
Sioux City 7, Iowa

Kans., Mo.

760 Live Stock Exchange Bldg.
Kansas City 2, Mo.

Okla., Texas

237 Live Stock Exchange Bldg.
Fort Worth 6, Texas

Ill., Wis.

Live Stock Exchange Bldg.
Union Stock Yards
Chicago 9, Ill.

Suboffice for Ill., Wis.

Livestock Exchange Bldg.
P. O. Box 187
National Stock Yards, Ill.

Ind., Ky., Mich., Ohio

238 Live Stock Exchange Bldg.
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